

INSTITUTION BUILDING THROUGH TECHNICAL ASSISTANCE—OLD VALUES AND NEW TECHNIQUES

Santosh K. Sharma

ECONOMISTS are divided on the issue as to whether it is in the overall interest of the developed nations to assist the developing nations in their economic development. Those who overemphasize the political and ideological motivations for development assistance argue that such assistance cannot be justified on pure economic considerations for the simple reason that it would be illogical for the developed nations to help build up the strength of their future competitors. Others argue that the market-creating effects of economic development far outweigh its market destroying effect, and development on a global basis will, in the long run, benefit not only the developing nations but also the developed world.¹ Irrespective of whether economic justification exists or not, the pattern and flow of economic assistance during recent years indicate that bilateral assistance programmes have close linkages with various non-economic factors, and political, sociological and ideological considerations influence, to a fair extent, the pattern and scope of the assistance. It is to be noted that, in order to enable the developing nations to achieve their economic objectives, a considerable measure of international co-operation is essential. The developing nations are, therefore, often faced with the difficult decision as to whether the much needed economic assistance having political and ideological overtones may be accepted or not. The race between different interest groups to woo the developing nations often improves their bargaining position but, on the whole, they find themselves at a disadvantage. A factor that tends to make the situation more difficult is that political and economic independence in the emerging nations usually grow along parallel paths and the growing awareness of their political rights and privileges coupled with distrust due to past colonial experiences, generates strong internal pressures against any form of tied external assistance. The developing nations have, thus, to formulate their policy on external assistance in the context of these conflicting and diverse factors.

¹ According to Kindleberger, economic interests are, in themselves, not sufficient to induce developed countries to assist the underdeveloped countries. Charles P. Kindleberger, *Economic Development*, New York, McGraw Hill, 1965, p. 364.

One of the important concepts of international cooperation for economic development is that of technical assistance. Technical assistance involves not merely the transfer of technological know-how but concerns itself with assisting the developing countries to organize and administer large scale action programmes to deliver the fruits of new technologies to their population. Technical cooperation has, however, according to Esman², lagged far behind economic assistance in the development of a guiding doctrine or rationale. Moreover, the technical assistance programmes undertaken so far have largely emphasized the pragmatic concept of literal transfer of know-how from the advanced countries to the developing countries. Experience has led to the conclusion that much of the know-how of the developed countries is ill-suited to the needs of many less-developed countries. Moreover, many of the developing countries are approaching a stage of human and institutional development where the traditional type of technical cooperation is no longer appropriate. The needs of the developing nations are becoming more and more sophisticated and they are increasingly becoming concerned with more and more complex problems. Technical cooperation to be meaningful has, therefore, to be more innovative and responsive to the changing and diverse needs. The crucial problem is how to combine skills, which exist in the emerging countries, with the advanced technology of the developed nations and bring them to bear more effectively on action programmes which will accelerate economic growth, expand social well-being, and improve public services.³ Since competent professional expertise is increasingly becoming available in the developing nations, it is important that genuine professional equality should replace the tutelary relationship which was implicit in previous forms of technical assistance, where the experts from the developed nations went with the preconceived idea of transferring skills to their local counterparts.

Though technical assistance, if properly conceived and implemented, can have a significant impact on the pace of development, there are limits to which it can be pursued. As mentioned earlier, there is considerable internal political pressure in most emerging countries against any form of tied foreign assistance and the people tend to get restless when the number of foreign experts in the key activities of the country surpass a reasonable figure. An unnecessarily large number of foreign experts, who produce an equally large number of expert reports, may also delay, rather than accelerate, programme

² Milton J. Esman and John D. Montgomery, *Systems Approaches to Technical Cooperation: The Role of Development Administration*, Washington, The Government Affairs Institute, 1969, p. 5.

³ *Ibid.*, p. 8.

implementation and may tend to hamper the work of local professionals. Foreign experts are not only costly in real terms (though their real cost may be disguised) but they also absorb scarce local resources. This means that absorptive capacity for technical assistance has serious limits.⁴ Overemphasis on technical assistance may often have negative or neutral effects on the development process. In view of these limitations, it is of utmost importance that the technical assistance capabilities of the developed nations are utilized with great care and restraint and in a manner so as to derive optimal benefit with minimum dislocation and cost.

Technical assistance programmes, to be purposeful and effective, should seek inspiration and direction from the research undertaken during recent years in the field of development administration. One of the significant developments has been the emphasis on social and cultural ecology—on the inter-dependence of administrative behaviour and institutions with culture. The development of organizations and institutions is, it is now almost universally accepted, dependent upon a wide range of phenomena—social, psychological, political, economic, cultural, and technological. Development administration explores the process of building administrative institutions and capabilities and the use of administrative instruments to facilitate social and economic development. It seeks to institutionalize new values, functions, technologies, and action patterns in a framework consistent with the social and cultural setting and having sound linkages with contemporary institutions and with the environment in general. Though institution building has now been largely accepted as the central philosophy of technical aid programmes, reorientation of the procedures and attitudes during the various stages of programme implementation has been far from satisfactory. Esman observes that research findings indicate that most of the U.S. technical assistance personnel continue to be concerned more with immediate organizational outputs than with developing indigenous capabilities, more with technological transfer than with new norms, behaviour patterns and organization building, and more with the internal organization than with external linkages.⁵ He adds that these distorted perspectives characterize Agency for International Development (AID) mission directors, technicians and contractors as well as officials of host governments. The reasons for adherence to the conventional pattern are not difficult to locate. Institution building is essentially a generic

⁴ Angus Maddison, *Foreign Skills and Technical Assistance in Economic Development*. Paris, Development Centre of the Organization for Economic Cooperation and Development, 1965, p. 14.

⁵ Milton J. Esman, "Some Issues in Institution Building Theory", paper dated July 7, 1969 submitted to the Committee on International Cooperation's 1969 Conference.

process in which the progress is slow and results imperceptible. It is much easier to show dramatic results by laying greater emphasis on essentially technological programmes. Moreover, foreigners are usually more effective in internal organizational roles than in attempting to deal with external environmental linkages. They, therefore, tend to lay greater emphasis on a closed organizational form. Their local counterparts, who can be expected to provide greater insight in the environmental linkages, often prove ineffective because of conflicts or absence of rapport. Another reason, perhaps, is that selection of personnel for technical cooperation programmes is generally on the basis of supply rather than on the basis of the needs of developing nations.⁶ Yet another reason is that the institution building task itself is subject to pressures born of expediency. One of the greatest of these is the pressure to show short-term results in the form of impact on the environment. Such demands can actually divert resources from the task of building an institution.

According to McDermott, institutionalization is the process by which normative relationships and action patterns are established.⁷ Institution building attempts to establish such relationship and action pattern by developing organizations that can foster these new kinds of influences on human behaviour and, by some process, incorporate them in the broader society. For operational purposes, an organization is essential but in the broader sense, the new kinds of behaviour are the objectives, and the organization is the instrument. Thus, the two phenomena important to institution building are the organization itself and the environment. One of the assumptions is that new values and technologies cannot be effectively introduced and sustained except through an organization which supports the new processes, action patterns and norms. In short, these innovative values, functions and technologies must be institutionalized. Further, institutional development need not be a normal evolutionary process which occurs independently of human design. This sense of deliberate human purpose and direction suggests a key role for those involved in the process of institution building. In order that the institution may have the ability to survive and its action patterns may be accepted as for other organizations, it is important that the institutional framework should not only be consistent with the social

⁶ More than half of the total U.S. personnel on aid programmes consist of middle-level personnel (including 6,000 Peace Corps Volunteers). Without in any way underscoring their work, the need for personnel of this type needs re-evaluation. Similarly, over 4,700 ex-colonial administrators being used by Britain on aid programmes can hardly be expected to possess the proper perspective.

⁷ J. K. McDermott, *Administrative Procedures and Strategies of the Technical Assistance Complex in Institution Building Contracts*, Purdue University, Committee on International Cooperation-AID Rural Development Research Project Contract No. AID/csd 480 1968, p.12.

and cultural setting but must have sound linkages with contemporary institutions and with the environment in general. Several impacts and linkages are relevant. An obvious essential linkage is with the programme objective or the desired product. Another important linkage, known as the enabling linkage, is obtaining authority to perform its functions as well as to produce necessary resources or appropriations. Other linkages identified by McDermott are the functional linkages which link the output of the institution with other institutions, normative linkages which act as guardians of the society's values, standards and norms and diffuse linkages which establish links with interest groups and the public in general⁸. Normative linkages which impinge on the society's values, standards and norms as established by religious, political and ideological traditions, are extremely important for acceptance of the new norms by the society. These linkages sometimes tend to be underrated, particularly in programmes in which experts from other cultures and religious traditions are involved. This aspect of institution building will be discussed in the next few paragraphs.

The process of institution building through technical assistance has some peculiar features. Technical assistance implies that a group of foreign experts from completely outside the system and even outside the culture are required to work intimately with indigenous institutions with the express purpose of making substantial internal changes. These efforts bring about certain stresses and strains. While on the one hand, failure of the foreign personnel to give due recognition to the value system of the recipient country and assumption of superiority of the Western tradition may lead to emphasis being laid on the wrong things, on the other hand, the implication of inadequacy in their organization or even their country may invoke defence mechanisms among the local personnel and build up considerable resistance against change. In some cases, the resistance may be of such magnitude that the change process may never get started. Such initial setbacks can be fatal to a project. A factor in institution building with foreign assistance, which often frustrates the main purpose of the project, is that in spite of the theoretical recognition of the need for linkages with the traditional values, standards and norms of the society, certain implicit assumptions regarding close correlation between the Western cultural and religious tradition and economic progress in the minds of the foreign technicians and sometimes even amongst the local personnel, lead to emphasis on efficiency and behaviour norms with which the society is not

⁸ J. K. McDermott, *op. cit.*, p. 15.

familiar. This often has some very undesirable effects. While on the one hand, the new norms and action programmes have less chance of getting institutionalized and accepted in the real sense, on the other hand, the implantation of a set of values foreign to the people, robs them of the pride and identification in the newly-created institution and kills the spirit for further innovation and experimentation. That the institutions and traditions of rich countries—their legal and social systems, their languages, philosophical systems, educational methods, etc.—are necessary for any society which hopes to achieve material prosperity, is now beginning to be seriously doubted.⁹ Some even assert that they are merely accidental results of European history. The invidious association of the oriental value system with an agricultural fused economic structure has been largely disproved by the Japanese experiment. That the Eastern religious and cultural tradition is inimical to economic growth is now no longer asserted with such vehemence as it used to be some years back. Both Western and Eastern scholarship has turned its attention to this area for research and accepted premises and assumptions are being seriously questioned.¹⁰ However, the new concepts have largely remained intellectual pursuits and have not found proper recognition in the conceptualization and implementation of programmes and projects. This, it seems, has been the blind-spot of many projects for institution building through technical assistance.

It would be appropriate, at this stage, to observe that the leadership in the developing countries, which has had fairly close contact with the Western tradition, has itself often participated in such distortion of attitudes and approaches. This has been particularly so in countries which, during colonial rule, were exposed to Western tradition and more so, in those in which the political power has passed into the hands of West oriented military dictatorships. Thus, the blame for laying emphasis on institutions not having links with the cultural and religious traditions of the developing countries will, in most cases, have to be shared by both the participating countries.¹¹

⁹ I. M. D. Little and J. M. Clifford (*International Aid*, London, George Allen & Unwin, 1965, p. 179) feel that more research in this field is required.

¹⁰ The thesis of Max Weber (*The Protestant Ethic and the Spirit of Capitalism*, 1958) and K. W. Kapp (*Hindu Culture, Economic Development & Economic Planning*, 1963) that the Eastern socio-religious framework militates against and impedes economic development has been challenged by various scholars, notably Milton Singer (*Cultural Values in India's Economic Development*, 1961), Vikas Misra (*Hinduism & Economic Growth*, 1962) and Morris D. Morris "Values as an Obstacle to Economic Growth in South : Asia An Historical Survey", *the Journal of Economic History*, 1967).

¹¹ Even the leadership of Nehru in India was criticized for a Western type of Constitution which was deplored as a "betrayal of the ancient spirit of India". See Beatrice Pitney Lamb, *India—A World in Transition*, New York, Frederick A. Praeger, 1963, pp. 202-4.

Of all the programmes of economic development through international cooperation, those pertaining to institution building have some very special characteristics. While their short-term effects are imperceptible and sometimes frustrating, their long-term effect on the attitudes, social norms, and ethical and cultural values can be significant. Apart from the initial resistance against change encountered in all such programmes and the difficulties experienced in their implementation on account of lack of appreciation of the environmental setting, traditional societies tend to be highly suspicious of their long-term effect on their social and cultural value structure. Thus, resistance against any change in the educational system is generally considerable. A fact, which is often overlooked, is that the prevalent system may itself be a legacy from the colonial days and may neither be consistent with the traditional values nor with economic growth. The most frequent expression of such negative attitude is in the contention often made by the developing countries that all that they really want is money. It is reasoned that with cash grants or loans, buildings can be constructed, equipment purchased, staff sent abroad for study and, if necessary, foreign experts hired for specific jobs. All this can be had without relinquishing control over the institution's destiny. What is, however, sacrificed is some of the inputs in the form of management techniques, innovative processes, etc., which can be obtained only through active participation by the developed nations in the institution building process.

Economic development requires translation of modern technology and techniques into action programmes which would generate a self-sustaining process of innovation and experimentation. For the development of the right type of work attitudes and social behaviour, the right type of institutions are a pre-requisite. Such institutions can be more effectively developed through a redefinition and reorientation of the traditional value system rather than by imposition of a system foreign to the history and genius of the people. Such efforts can only create mental reservations and blocks in the short run, and a sense of internal inadequacy and feeling of dependence on others over a long period of time. The dynamics of economic growth requires a dynamic society having the desire and capacity for experimentation and innovation. A social structure, whose value system is perpetually questioned, will tend to crack up under the stresses and strains thus created. If at all a change is required, a shift in emphasis in the body of the traditional values rather than a change in content, would be more rational. In his critical study on the role of agriculture in the Indian economy and rural development in India, John W. Mellor has made some very pertinent

observations in this regard:

"India is not a newly emerging nation, but an ancient one, and its highly developed culture includes many conventions and rules of behaviour that affect social and economic life. Many of these rules and conventions which had at one time both social and economic purposes now emerge generally as rigidities in behaviour, often inimical to development. But on the other hand, a highly developed social structure, a basis for authority, and an intricate set of interactions among people can be highly favourable to development. Indeed, the question how existing institutions can be moulded to speed development may now be more relevant than the question how they may be removed."¹²

These observations would be equally valid to other developing nations. The traditional value system, rather being rejected as derogatory to economic growth, could be used, through a vigorous and continuous effort to bring the cultural and religious force into the service of modern social and economic reform, as a tool for revitalizing and invigorating the social institutions and building up a dynamic and progressive society. Unless the social and economic institutions are built up on these premises, their impact may well be negative to the desired purpose.

BIBLIOGRAPHY

1. Esman, Milton J., *Some Issues in Institution Building Theory*, paper dated July 7th, 1969 submitted to Committee on International Cooperation's 1969 Conference.
2. Esman, Milton J. and Montgomery, John D., *Systems Approaches to Technical Cooperation: The Role of Development Administration*, Washington, The Government Affairs Institute (1619 Mass. Ave), 1969.
3. Kapp, K.W., *Hindu Culture, Economic Development and Economic Planning*, New Delhi, Asia Publishing House, 1963.
4. Kindleberger, Charles P., *Economic Development*, New York, McGraw Hill, 1965.
5. Lamb, Beatrice Pitney, *India—A World in Transition*, New York, Fredrick A. Praeger, 1963.
6. Little, I. M. D. and Clifford, J. M., *International Aid*, London, George Allen & Unwin, 1965.
7. Maddison, Angus, *Foreign Skills and Technical Assistance in Economic Development*, Paris, Development Centre of the Organization for Economic Cooperation and Development, 1965.

¹² John W. Mellor, *Developing Rural India: Plan and Practice*, New York, Cornell University Press, 1968, p. 4.

8. McDermott, J. K., *Administrative Procedures and Strategies of the Technical Assistance Complex in Institution Building Contracts*, Purdue University, Committee on International Cooperation-AID Rural Development Research Project Contract No. AID/csd-840, 1968.
 9. Misra, Vikas, *Hinduism and Economic Growth*, Bombay, Oxford University Press, 1962.
 10. Morris, Morris D., "Values as an Obstacle to Economic Growth in South Asia : An Historical Survey", *The Journal of Economic History*, Dec., 1967.
 11. Singer, Milton, "Cultural Values in India's Economic Development", Myron Weiner, (ed), *Introduction to the Civilization of India*, Chicago, University of Chicago Press, 1961.
 12. Weber, Max, *The Protestant Ethic and the Spirit of Capitalism*, New York, Charles Scribner's Sons, 1958.
-

